

THE BRAZILIAN FAVELA: THE CASE OF SALVADOR

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The Brazilian Favela: The Case of Salvador

Rapid urbanization in the developing world has created a deficit in the availability of affordable housing for both middle- and low-income populations. As a response to this lack of affordable housing for low-income classes informal communities, typically the result of land invasion, in order to provide habitation. This pattern can be seen from multiple case studies in different regions of the world, including countries like Brazil and South Africa. According to the 2012 United Nations Habitat report, between 2000 and 2012 the number of people living in informal communities and slums increased by more than 13.6%, from 760 million to 863 million occupants (Cities Alliance, 2008). This increase is projected to continue; with approximately 20,000 people migrating daily to urban centers with 91% of this influx occurring in developing countries.

The focus of this thesis is informal housing in the developing world, with particular reference to Brazil. It is defined as housing that sits on land to which occupants do not hold the legal land title. In Brazil, there are two types of informal settlement: unauthorized commercial land developments where land is illegally subdivided for informal development; and, squatter settlements where land is illegally occupied against the will of the owner. The latter can occur on both privately owned but unoccupied property and on publicly owned government land. Duran-Lasserve and Selod attribute these land invasions to “the gap between the demand for land and its provision by the public sector and the private formal sector, unable or unwilling to provide housing for the poor,” (Kurruna, 2013).

Both these forms of informal development are apparent in Brazil and can be traced in significant part to a massive movement from rural to urban areas in the second half of the twentieth century, so that in 2000, 81% of the population lived in cities instead of rural areas (Karruna, 2013). This overwhelmed the existing housing stock, resulting in informal occupations of whatever vacant land there was. As a result, informal communities have come to be a condition of the Brazilian city and are still continuing to grow today. In the years of 1991-2000, over 56% of the increase in residential housing has been informal. Now informal housing populations comprise more than 20% of the total population. Given their illegal nature the existence of informal communities assumes a clear political character. This is a politics fraught with confusion and which serves to challenge the landscape of the city.

This thesis focuses on the politics of informal housing in one particular Brazilian city: the city of Salvador da Bahia, Brazil. There are several objectives. Through an investigation of the forcible expulsion of residents from informal communities and of the formal housing policies that are supposed to accommodate at least some of them, the thesis seeks to:

- Define some of the social, economic, and political circumstances that influence the continuing prevalence of informal housing.
- Understand the types of policies in play to assist in the provision of housing for low-income and informal residents.

- Understand the influences of private capital and land speculation in the implementation housing policy.
- Understand the implications of forcible removal and exclusion of informal residents and communities.
- Uncover the motivations of the various actors involved in the housing policy process.

The remainder of this thesis is divided into five distinct sections exploring these topics. The first part discusses the universality of problems associated with housing policy for the poor in Brazil as a whole. Part II will then discuss Brazilian housing policy for the low-income, covering a number of subthemes including: the growth of state involvement, the character of the various interventions, and the current Minha Casa, Minha Vida housing program. Part III discusses the issues that confront informal residents, or *favelados*, in taking advantage of these housing programs. Favelados often experience stigmatization, difficulties in obtaining formal employment, and exclusion as a result of their beneficiary status. Part IV will discuss the situation of housing and policy in Salvador. This will reveal why the city is distinctive by comparison to other major metropolitan regions in Brazil. Finally, I take up two particular cases informal communities and the politics and policies of housing that unfolded there.

Part I: The Brazilian Housing Question

Brazilian housing policy for the poor has important implications for residents, not least because it fails to address the root cause of their housing difficulties. Rising

land values and scarcity of vacant space create pressure to eradicate informal communities (Moreira de Carvalho, 2007). However, the policies to relocate informal residents to formalized structures and free up land for formalized development have not led to the elimination of these communities. Instead, they tend to promote a cyclical process of relocation and return. This is by no means exclusive to the city of Salvador or Brazilian housing policy and can be seen in other urban contexts around the world.

In both Brazil and South Africa, for example, economic growth has generated urban social welfare disparities as rural migrants move towards cities in hope of better opportunities. The large migratory influxes experienced by urban areas and lack of provision for low-income housing have prompted massive growth of informal housing in both countries, particularly in locations accessible to central city jobs, including those in the informal sector. Unchecked speculation in the land market has then been the condition for policies of relocation to new housing settlements or “transitory camps” on the outskirts of the city. The desire of developing countries to stage global events like the World Cup has reinforced these types of policies. As Huchzermeyer points out, global initiatives and policies aiming to promote “shack-free cities” encourage the eradication of informal communities and not in situ investment in improving the social welfare of residents. This has been seen in South Africa, as actions to remove informal communities have resulted in illegal evictions, displacing thousands of low-income residents. There is little legislation in place to provide assistance to informal residents facing illegal removal or to invest in infrastructure in existing communities (Huchzermeyer, 2002). This only

perpetuates the social and political marginalization of an already disadvantaged socioeconomic group.

The continued depreciation in the political, social, and economic power of informal residents in the applications of policy suggest other motivations for housing programs. Policies of relocation and removal show the influence of capital and rising land values, as the city has the potential for large revenue gains from the removal of informal communities and the development of the land on which they stood.

Formalized financial and housing structures tend to exclude informal residents (Moreira de Carvalho, 2006). This again is not exclusive to Brazil and is the driving force surrounding the housing of the urban poor in other cities.

Policies for the provision of formal housing and the eradication of informal housing reflect a distinct lack of communication between all actors involved in the policymaking process. As highlighted by the actions surrounding the Brazilian case studies to be discussed below, the administrative bodies responsible for investment in infrastructure and assistance in informal communities often lack vital communication with social organizations. Government institutions often exclude community and social organizations in the policy process and the design of new legislation. For informal residents, the process of acquiring the right to remain in their communities has been fraught with constant political setbacks. Working with academic researchers, social organizations, and residents in the community to develop policies suitable to community needs would help to mitigate the ineffectiveness of these programs.

Part II: Brazilian Housing for the Poor

Historical Development

With the political, economic, and social development of Brazil, housing programs at national, state, and municipal levels have experienced a long history of change.

Nevertheless, several common tendencies are evident. These include: The involvement of the private sector in the creation of housing, which tends to keep the state at “arms length” in the construction; the bias in providing financing for beneficiaries who are not the most needy; and the movement towards decentralizing the provision of housing to state and municipal government to best address housing situations particular to each region. These developments have culminated in the most recent housing initiative, Minha Casa, Minha Vida, which to address the contemporary housing demands of the poor.

Housing programs in Brazil did not begin to focus on informal communities until the 1930's, despite massive rural to urban population migration. The political order at the time saw that the housing shortage caused by these migrations was not exclusive to low-income populations and created shortages across all social classes. Informal housing at this time was included in city planning efforts as more than just a “sanitation risk” and in the development strategies of the state. Issues of housing reflected the central themes of habitation as a basic condition for the reproduction of the labor force and a means for promoting the industrialization of the country (Freir, 2010). Public policy often reflected joint ventures of the state and private enterprise to create large-scale housing programs settlements in part as a stimulus

to economic growth. Most of the residences constructed by these early programs were specifically for rental to workers in the industrial, commercial, and banking sectors, industries the Brazilian government was hoping to grow.

The valorization of the worker created an ideology that would place increasing pressure on the individual to own a home and this was reflected in later housing policies. Before the early 1940s, renting was typical for those unable to afford home ownership. Yet many workers could barely afford entry into highly monopolized rental markets, controlled by few urban landowners. The state first began to interfere in the rental market in 1942 by regulating rents according to the Law of Tenancy. This had ambiguous consequences. On the one hand, it forced landlords to adhere to regulations in favor of tenants. On the other, it resulted in limited construction of new rental housing and high numbers of evictions, increasing the number of homeless workers.

Early housing policies were also hampered by inadequate state capacities. In the period of 1946-1964, less than 20% of the proposed housing projects were completed reflecting the inability of administrative structures to carry through. Policies continuing through the 1980's also gravitated away from assisting the poorest informal residents. This was due to restrictive requirements for program beneficiaries and participation in formal financing structures. This can be seen in the actions of the major housing policy institution, the National Housing Bank, during the military dictatorship.

The military regime of 1964 led to a new institutionalization of policies relating to housing and the welfare state. On August 21, 1964, the Banco Nacional da Habitação (The National Housing Bank—BNH) was created as the central body of the Financial System of Habitation and Sanitation. In particular it was created to coordinate housing policy and drive private investment in housing, stimulate construction of housing, finance home ownership, and improve housing patterns. A distinct goal of this organization was to eradicate favelas through the creation of more formal housing units. BNH provided direct and specific financing to low-income classes in order to pave the way for home ownership. The financing of these programs, however, came with a large number of requirements. One requirement that is ongoing in contemporary programs is that the units provided to participants could not be rented, commercialized, or used for any purpose other than housing for the owner. Moreover, between 1964-1969, only 40.7% of the BNH investment was to the “popular” or low-income groups and fell to just 12% in 1970-1974. This was an unintended consequence of a bureaucratic process that prevented low-income earners and informal residents from qualifying for the formalized financing required for program participation. Overall, between 1964 and its dissolution in 1986, the BNH financed 3.2 million units for families with incomes higher than five minimum salaries. Only 1.2 million units were financed for those making less than five minimum salaries. Fewer than 285,000 units were constructed for low-income individuals making between one and three minimum salaries.

Contemporary Housing Programs

a) The Bylaw of the City: The mid-1990's saw the introduction of more successful housing programs aiming to improve social inclusion. By no means the least of these was something called the Bylaw of the City through the Social Movement for Urban Reform, created in 2001, and targeting in particular the problem of social exclusion in the provision of housing for the poor. This document established norms to regulate the use of urban property in favor of what was defined as the collective good. Two provisions in particular should be highlighted. The first defines the democratic management of the cities, incorporating citizens in the decision-making, conception, planning, and execution of urban housing policy. It lays out the legal process for citizen participation and requires a Study of the Impact on Surroundings (EIV) for joint ventures of the municipality in terms of urban projects. The EIV allows citizens or a group of citizens to question the execution of the project and forces municipalities to include programs for the economic and social improvement for the population in a project area.

b) *Usucapião*: A second provision defines the use and implications of what is known as *usucapião*. This is a tool for informal occupants to gain the ability to remain in their homes. The process of *usucapião* grants the rights of informal tenants to remain where they are after undergoing a process of what is called regularization. This is the responsibility of the municipality. Informal areas that are prime candidates for this process have a density of more than fifty occupants per hectare and are lacking at least two of the following:

- Adequate rainwater drainage
- Waste treatment for sewage
- Established drinking water sources
- Access to electricity
- Trash and waste removal

The process can apply to settlements on public or private land that have been invaded and must occur for two basic reasons: to improve the housing of informal residents or to grant land titles and permits for land use. The process can result in either the distribution of land grants to residents or the construction of new formal housing for residents.

In order to grant *usucapião*, the municipality must begin a process of regularization that follows a set of guidelines. In particular it must improve access to urban land for low-income populations; assure an adequate level of habitation for the residents, all the while improving the conditions of urban, environmental, and social sustainability in the community. Additionally, regularization must promote more effective governance in the housing process with less confusion and more cohesion in the community. Regularization also has the goals of promoting improved cooperation between various levels of government regarding public and private initiatives, improved social integration and the generation of business and income. However, the process does have its pitfalls.

Although *usucapião* seeks to provide a pathway to more enduring residency for informal occupants, it does not absolutely guarantee the permanence of informal

settlements. In itself it does not grant a formalized land title. In order to receive that, informal occupants must complete a further series of legal processes resulting in what is called *usucapião constitucional*. To do that, residents must wait five years after the completion of the regularization process. They must then reside in the home at least five years before the title can be transferred.

c) *Minha Casa, Minha Vida*: The largest and most recent investment in the provision of housing for the poor has been through the federal program Minha Casa, Minha Vida. The objective of the program, which was initiated in 2009, is to diminish the housing deficit by the large-scale construction of housing through private residential construction partnerships. The program proposed constructing two million new homes in urban areas by the year 2015. Funding for the program draws from the Fundo of Residential Renting, resources transferred from the federal General Budget of the Union. The national bank Caixa Econômica Federal is the financial institution responsible for defining the necessary financing requirements for program operation. Management, initiation, and construction of the projects is, however, the responsibility of the individual 27 states. Beneficiaries of the program are targeted as low-income and must earn less than or equal to R\$5,000 (US\$2,262.34) per month to receive financing for the purchase of a home. Subsidies can be as large as R\$23,000 (US\$10,406.76).

Beneficiaries are also required to be in some form of formal employment and are forbidden from carrying out commercial activities inside their new homes. This is problematic for many, as the majority of informal residents have never held

formalized employment. Furthermore, it is very difficult for program participants to acquire formal employment as they lack necessary education and experience social marginalization from their position as a *favelado*. MCMV settlements are also generally located on the urban periphery, with fewer formal employment options and limited public transportation into the urban center.

Implications

The historical changes in, and development of, housing policy for the low-income in Brazil exhibit a certain degree of continuity. This applies to the enforcement of formal financing structures, the construction of the new housing on the urban periphery, and the way housing programs are supposed to stimulate other parts of the economy. These factors encourage patterns of relocation of informal residents and their later return to informal communities that are common in many Brazilian cities. This is so assuming that they qualify for relocation anyway, and that is not necessarily the case. Given the minimum income requirements of housing programs since the foundation of the BNH, the needs of many informal residents are not being attended to. These programs, even with the current MCMV, have the tendency to exclude the lowest income individuals. As seen with the limited investment in the lowest income groups in the applications of the BNH financing, it is clear that these programs prioritize return on investment by assisting higher income groups rather than the most needy. By subsidizing individuals with better financial standing, the state can better guarantee that the beneficiary will make the payments required by the program.

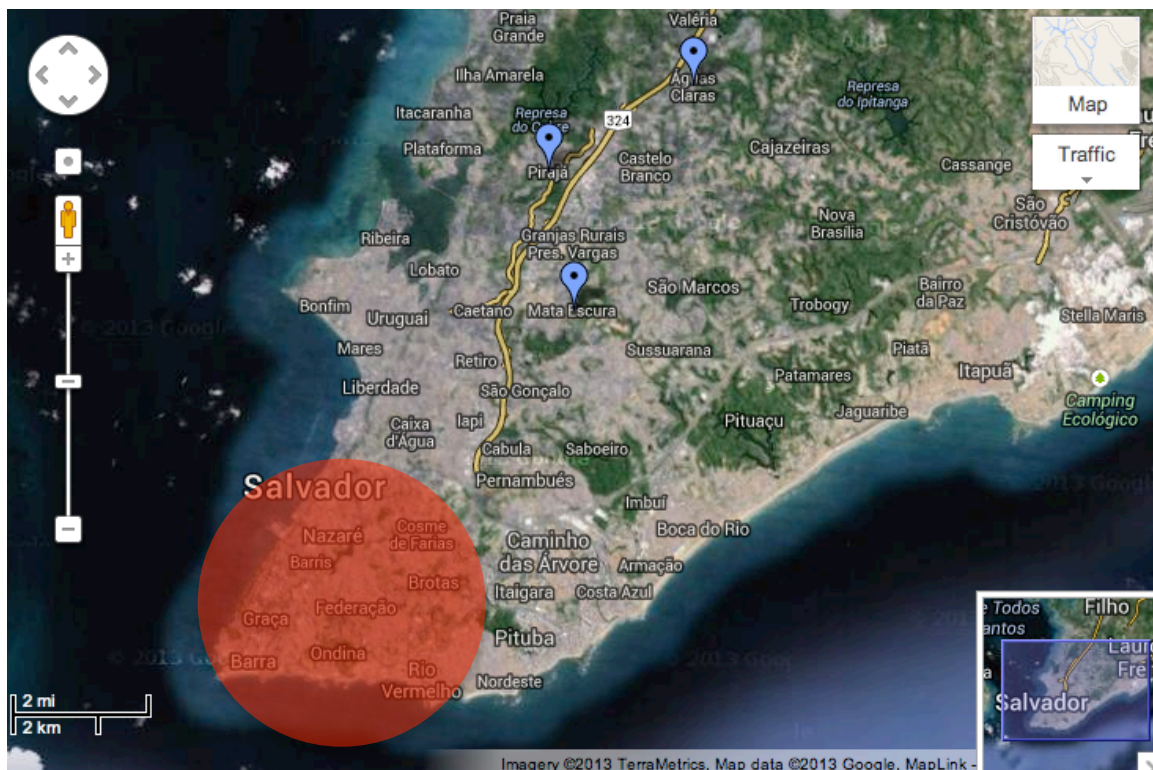
Another requirement that creates difficulty for participants in housing programs is that regarding formal employment. Many informal residents have never held formalized employment due to social stigmatization and a lack of education. Residents struggle to gain formal employment based upon their position or former position in informal communities. In a social examination of favelados, Veronika Deffner (2010) interviewed many informal residents about the effects of this social marginalization. One informal salesman living in the community of Calabar, Salvador was quoted as saying,

"The majority of the rich here above us in the buildings don't like us. They think that everyone here is a criminal. There are many that don't accept us because we are here from Calabar. This is the periphery. Everyone here is poor, so we are all thieves, clearly! When we look for a job, no one can find employment when we disclose our address: Calabar! This is a huge stigma..."

Another resident was quoted saying that this stigma forces many residents to lie about where they live stating that, *"...many of us here don't disclose where we live. They say that they live in Ondina, in Barra... This is a frustration, but we don't change anything."* Favelados also often lack the education to acquire a formal job. Instead, many often work in personal businesses that they run out of their homes. This is also prohibited by housing programs, eliminating for many informal residents the option for what is the only skilled employment position they have held. Family members are likewise subjected to this requirement and are unable to contribute to household income without formal employment. Housing programs also place

emphasis on the transition to formal housing and formal financial structures, of which many favelados have no experience. In addition to limiting qualifying participants, this creates problems with default on the high-interest loan payments for their new formal housing. As historically seen with housing programs, the poorest informal residents often do not qualify for financing due to the increased risks attached to their repayment of loans (Souza, 2007). Furthermore, many of the programs encourage the purchase of home goods, such as furniture, on high-interest rate credit cards. Many program beneficiaries have experience with credit in the informal economy, but the implications of defaulting on credit in the informal economy are very different. In the informal economy, the applications of credit operate more on an “honor system” than on a formalized credit history. Many program beneficiaries do not understand the implications of a poor credit history in the formal financial structure and its ability to affect their future buying power. This results in crippling debt for many program participants.

Figure 1



In addition to the financial constraints of formal housing programs, the relocated informal residents also experience many difficulties due to the location of the new housing settlements on the urban periphery. Locations distant from the center of the city often create challenges for residents as there are fewer unskilled formal employment positions in the rural areas of the municipality. This location problem can be seen in Figure 1, which shows the locations of three Minha Casa, Minha Vida settlements in Salvador represented by the points on the map, contrasted with the red circle showing the center of the city and the center of gravity for formal employment. There is also a lack of other public amenities. Deficiencies in public transportation make it difficult for program participants to hold jobs in the central city in addition to placing the population at further disadvantage. With limited options to health care access and stable education systems, the marginalization incurred by those relocated from informal communities only gets worse.

Municipalities also do not have a vested interest in completing the process of regularization to permit informal residents to remain in their communities. Part of the problem is that it is the municipality that incurs the financial costs of the regularization process. In addition, by granting land rights to its residents, the municipality loses the option of selling occupied public lands to private developers. This would allow it to benefit not only from the initial sale of the land but also from replacing the informal residents with commercial enterprises or formal residents that pay property taxes. In some areas, informal communities are located on high-value land and their presence has a negative affect on the value of formalized housing nearby. This affects the municipality by limiting its ability to maximize the

property tax from those formal units. Lastly, informal communities are often seen as a failure of the municipality to provide adequate housing options and well-organized city planning. The social stigmatization of its residents and stereotypes of informal communities as areas of crime negatively affect the municipality in terms of tourism and status as a “cosmopolitan” city.

The social vulnerability incurred as a result of the process of depiction as a criminal often creates a self-fulfilling prophecy, forcing criminality and perpetuating the stigmatization of residents (Deffner, 2010). This treatment as second-class citizens often carries over into the political process, as local government does not want to give credence to the views of those who are seen as uneducated criminals. Instead, the actions taken in the community by local government often disregard them.

Economic factors also lead to the marginalization of favelados, excluding them from equal access in the provision of housing and participation in housing policy.

Residents in favelas do not pay property tax to the city because they do not own the land title. Additionally, many of the residents do not hold formal employment positions and so avoid paying income taxes to the city as well. As a result, the city is less inclined to be receptive to their claims, particularly given that they are beneficiaries of publicly funded programs. These aspects of marginalization, the influence of speculative property capital, and rising land values are leading to the pressure to remove informal communities in many other parts of the city.

The public-private partnerships on which housing programs rely for the actual production of housing units are an attempt to boost employment and economic

growth. However, one of the strongest critiques against the MCMV program is that the program relied on contracts with private construction companies. Construction companies were paid on the number of houses constructed in large settlements and not on the overall quality of construction. This resulted in the uniform construction and poor quality of housing in settlements with limited planning and generating a barrack-like appearance.

The barrack-like nature of the units constructed by these of housing programs has other negative implications for program participants. The uniform construction of the houses does not allow for any size variation for large or multigenerational families. In informal communities, families would frequently add additional stories to their homes for family members as they have children and to accommodate older members. Housing settlements often lack community spaces as well, such as common meeting areas, isolating participants from the benefit of the tight-knit social interaction for which favelas are noted. The strictly residential nature of the housing settlement prevents residents from gathering at other social meeting places as well, such as restaurants and local bars. **Figure 2**

Part III: Salvador da Bahia, Brazil

The study site of Salvador da Bahia Brazil was chosen after an extensive analysis of the demographics that constitute urban housing in the ten



most populous Brazilian cities. Although Salvador is the third largest city in Brazil by population, there is limited international research studying informal housing there. The majority of research on favelas, or subnormal agglomerates as the Brazilian Institute of Geography and Statistics (IBGE) describes them, focuses on the two cultural and economic powerhouses of São Paulo and Rio de Janeiro. As a result, many of the assumptions about informal housing in, “...these two megacities are often (and unfairly extrapolated across other urban contexts in Brazil, perpetuating lingering misgivings about the overall ‘nature’ of Brazilian cities,” (Garmany, 2010). This is despite Salvador having the second largest concentration of subnormal agglomerates among Brazilian cities. Data collected by IBGE in the 2010 Brazilian census show that while all cities have significant numbers of informal housing dwellers, in Salvador they are a greater proportional presence (see Table 1.)

Table 1: The Five Largest Brazilian Cities

City	State	Region	Population	Population Density (per square km)	Subnormal Agglomerates (S.A.) Population	S.A. as a Percent of Total Population
São Paulo	São Paulo	Southeast	11,253,503	7387.69	1,280,400	11.42%
Rio de Janeiro	Rio de Janeiro	Southeast	6,320,446	5265.81	1,393,314	22.04%
Salvador	Bahia	Northeast	2,675,656	3859.35	882,204	32.97%
Brasília	Distrito Federal	Central	2,570,160	444.07	133,556	5.2%
Fortaleza	Ceará	Northeast	2,452,185	7786.52	396,370	16.16%

In addition to having a higher concentration of residents in subnormal agglomerates, Salvador also has some distinct socio-economic characteristics, a vastly different geographic makeup, and qualitative problems in its housing.

Table 2

City	Number of S.A. Households	S.A. Households as Percent of Total	Private Households Earning Less than/Equal to Minimum Wage	S.A. Households Earning Less than/Equal to Minimum Wage	Unemployment	Population Employed in Informal Economy
São Paulo	355,756	9.95%	36.16%	67.1%	7.48%	17.87%
Rio de Janeiro	426,965	19.89%	37.8%	66.79%	7.28%	18.65%
Salvador	275,593	32.03%	55.01%	72.12%	13.06%	16.42%
Brasília	36,504	4.71%	37.4%	80.32%	8.19%	15.63%
Fortaleza	109,122	15.34%	60.56%	72.12%	7.7%	19.89%

As indicated by Table 2 , in 2010 Salvador had the highest level of unemployment of the five largest cities of Brazil in addition to the largest percentage of housing defined as subnormal agglomerate (Table 1) (Instituto Brasileiro de Geografia e Estatísticas, 2010). The city also has higher levels of informal residents earning less than minimum wage than Rio de Janeiro or São Paulo and consistently high numbers of the employed population working in informal positions. These factors in combination suggest that the informal residents of Salvador are in a more precarious financial situation than those in the larger southern cities and this is almost certainly expressed in problems of access to formal housing.

This contrast seems to extend to other northeastern cities like Fortaleza. In 2008, the Brazilian government funded research João Pinheiro Foundation worked with the National Secretary of Housing of the Ministry of Cities to compile data on the

national quantitative deficit and quality issues related to informal housing. This extensive survey sought to examine two categories of housing quality, or rather lack thereof. The first of these is what is called Habitation. This is a summation of precarious housing, familial cohabitation, excessive rent burdens. To clarify: Precarious housing is defined by improvised construction through non-permanent materials. Familial cohabitation includes rented and owned properties where families live together out of necessity. The second category, Domicile Inadequacy, is defined by excessive density in owned homes, the need for infrastructure services, inadequate ownership, lack of bathrooms in households, and inadequate roofing. The infrastructure examined in this category includes electricity, availability of drinking water, sanitation systems, and trash collection. Inadequate ownership refers to cases where at least one of the residents of a domicile does not have the complete ownership, but only a fraction, such as containing a deed purchased on the informal market. The results of this study indicate the qualitative deficiencies of those living in informal housing in the major Brazilian cities.

Table 3

City	Region	Percent of Deficit Housing in S.A.	Precarious Housing in S.A.	Familial Cohabitation in S.A.	Excessive Rent Burdens in S.A.	Excessive Density in Rented Households in S.A.
São Paulo	Southeast	13.84%	64.6%	25.9%	9.5%	No data
Rio de Janeiro	Southeast	8.28%	12.1%	24.2%	51.5%	12.1%
Salvador	Northeast	10.37%	6.5%	48.4%	41.9%	3.2%
Brasília	Central	19.35%	33.3%	16.7%	33.4%	16.7%
Fortaleza	Northeast	10.37%	3.2%	61.9%	30.2%	4.8%

The data in Table 3 shows that for the northeastern cities of Fortaleza and Salvador, familial cohabitation is of greater concern than in the southeast or central cities. Salvador also has a higher proportion of informal households with excessive rent burdens, but with lower proportions of precarious housing (Chaves, 2008). Table 3 also provides more analysis of other issues associated with subnormal agglomerates between regions.

Another study conducted in 2004 by the Ministry of the Cities, a branch of the federal government, also analyzed the extent of the housing deficit in Brazil. The unsatisfied quantitative demand for housing was estimated at 7.2 million homes. Five and a half million of these were in urban areas, divided between the Southeast (39.5%) and the Northeast (32.4%). In 2000, the Ministry of the Cities also found that 88.2% of the housing deficit in the country was composed of families making less than five minimum salaries. This can be seen in Table 4. Housing in both the Southeast and Northeast presented the largest numbers of inadequately housed, with 505,510 and 221,782 dwellings (respectively) composing 86.5% of the national total. As the João Pinheiro study also showed, there are qualitative differences in housing deficits between the Southeast and Northeast regions. More than 50% of the needs in the Northeast correspond to shortcomings in urban infrastructure or environmental sanitation. In the Southeast, excessive density and depreciation of the structures in housing is vastly more pronounced.

Table 4

Region	Inadequate Ownership in S.A.	Domicile without a Bathroom in S.A.	Infrastructure Needs in S.A.	Excessive Density in Owned Homes in S.A.	Inadequate Roofing in S.A.
North	3.07%	3.23%	46.94%	12.53%	1.49%
Northeast	9.60%	2.93%	30.96%	6.47%	6.36%
Southeast	29.00%	1.30%	24.49%	8.23%	1.21%
South	20.07%	2.92%	19.14%	4.84%	3.74%
Central West	2.39%	2.78%	27.48%	5.02%	No data

In addition to the differences in both the quantitative composition and quality of housing in the city of Salvador, physical conditions are very different from those in other major Brazilian cities. Salvador occupies 693 square kilometers on a peninsula with the Atlantic Ocean to the northeast and the Bay of All Saints to the southwest. This greatly limits the availability of developable land and is drastically different from the less constrained Rio de Janeiro or São Paulo. Most of the informal communities in Salvador are located along the Bay of All Saints, near industrial areas with lower land values. The higher income residential areas are concentrated along the Atlantic shoreline to the northeast of the city, with fewer informal communities that are smaller in size. This can be seen in Figure 3. Comparing it with Figure 4 then brings out the relationship of the ‘popular’ areas with informal housing. This contrasts with Rio de Janeiro, a city with high-income residential areas adjacent to informal communities, a result of the formation of favelas on the hillsides of the city during the middle of the twentieth century. The city of São Paulo also varies in its geographic composition of housing, with the majority of informal communities being located on the urban fringe of the continuously expanding city. The urban center contains the highest value residential housing, close to its

commercial epicenter.

Figure 3

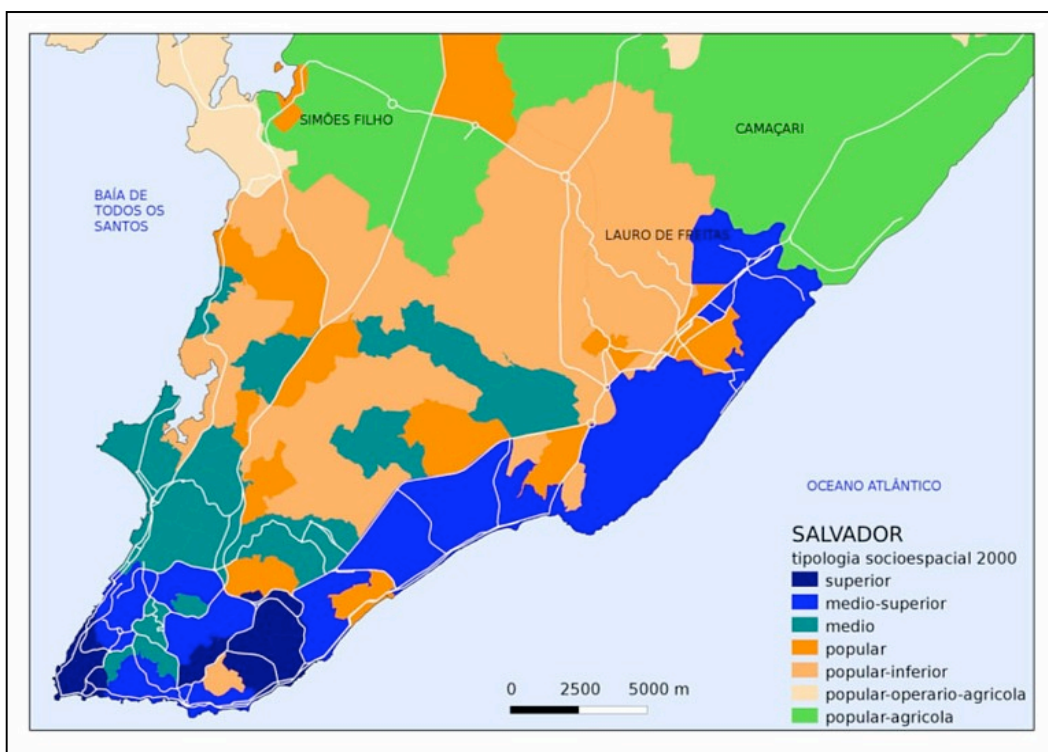
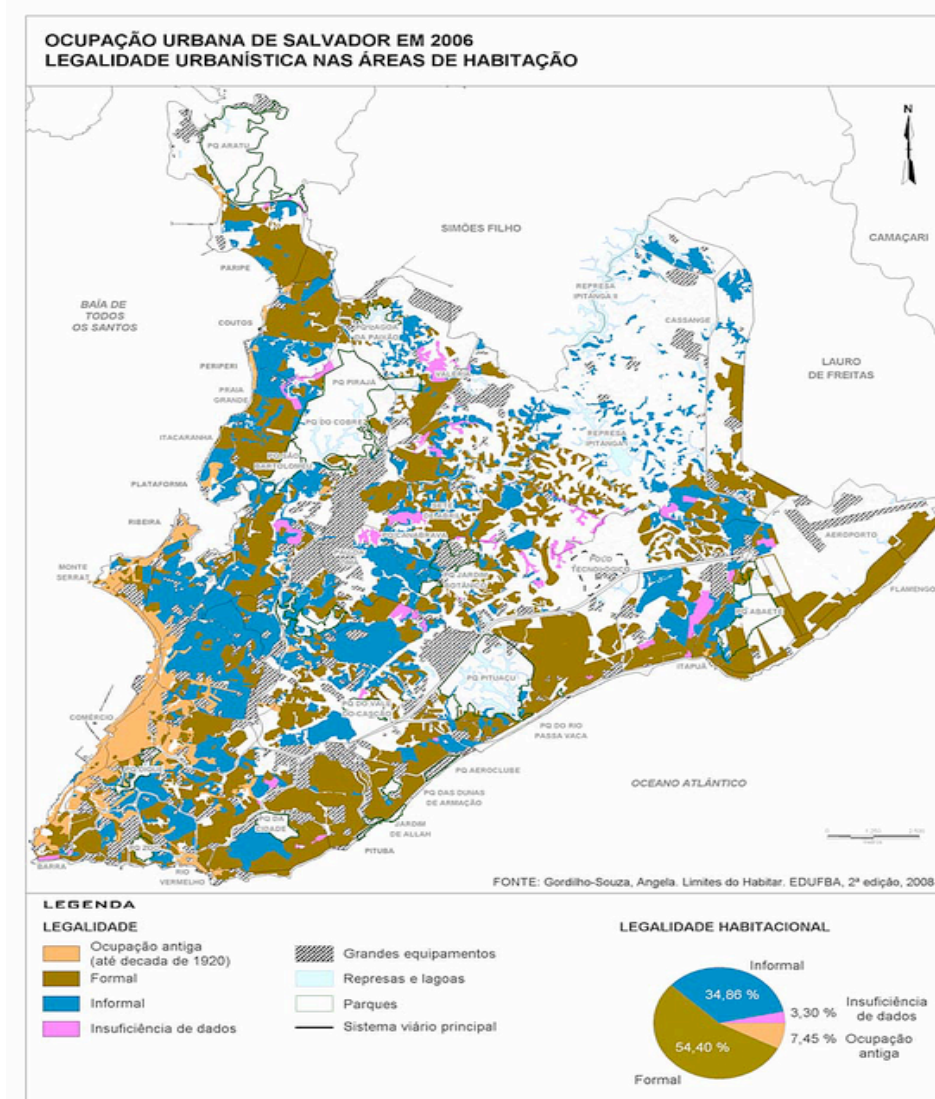


Figure 4



Part IV: Urban Development in Salvador

Salvador, the first capital of Brazil, began experiencing strong rural to urban migration in the early 20th century. This was a result of a combination of push and pull factors. The city was marked by its growth as a major port city and the abolition of slavery in the late 1800's, drawing rural migrants and former slaves searching for employment opportunities (Freir, 2010). The foundation of Salvador's economy was through the export of cacao, but began to expand after its port was remodeled in 1928. Population growth was relatively slow between 1920 and 1940, at only 2% per year, but then rapidly increased to 43.65% between the years of 1940-1950, to 290,433 habitants. Early densification in the city began in housing called *cortiços*, providing rooms for rent that sheltered poor workers in what were essentially boarding houses. These accommodated a high number of occupants per unit and were very unhealthy causing the public power to seek to eradicate this particular form of low-income housing. The later influx of new residents in the city began to lead to a pattern of disordered informal settlements forming on the city's periphery, as low-income, worker housing was largely unavailable. This began to mark a change in the composition of housing for the city of Salvador.

Prior to the middle of the twentieth century, there was limited urban planning within Salvador, leading to limited separation of land use in the city. In the early 1900's, land was owned and controlled primarily by a small number of rich families and the Catholic Church, held in a few land trusts and by real estate companies owned by the wealthy. Before the 1920's, government intervention in housing was

limited to programs promoting hygiene, sanitation, and building safety. However, the rapid growth experienced in the 1940's began to draw attention to the informal housing being constructed on the urban periphery and the resulting and stark inequalities of housing (Frier, 2010). The first initiatives at combating this disequilibrium and better urban planning in the city were taken in 1943 with the creation of the Escritório de Planejamento e Urbanismo da Cidade de Salvador (The Office of Planning and Urbanization of the City of Salvador--EPUCS). This organization was more concerned with the design of the city than the provision of housing and equal use of space, but it was a beginning of urban spatial planning. Additionally, EPUCS gave guidelines for urban growth and the construction of popular housing in Salvador, making it possible for areas to be occupied by groups of individuals with limited buying power.

The first informal communities in Salvador began with the formation of the area of Corta-Braço in what is now known as the neighborhood of Liberdade in 1946. This established a pattern of informal communities as a solution to the lack of affordable formal housing. Additionally, many informal communities were erected as housing for those working in the growing residential construction industries in middle- and upper-income parts of the city. Informal residents began to place pressure on the municipal government to provide a solution to their housing difficulties while insisting that the lack of housing was not the root issue, but the lack of available land on which to place it (Cities Alliance, 2008).

In the decades following the 1950's, Salvador continued to experience growth and dramatic change as its economic base shifted from agricultural entrepôt to industry. The discovery of oil in Bahia prompted the creation of Petrobras in 1953 and the beginning of drilling and extraction in the city's hinterland. This created an even greater motive for migration to Salvador, as employment opportunities in both the refining and associated chemical industries began to materialize. The population of Salvador grew 62% in the years of 1950-1960 and was marked by further increase in low-income workers without options for housing. Two major industrial areas were then constructed in the late 1960's: the Central Industry of Aratu (CIA) and the Camaçari Petrochemical Plant. These plants marked another surge in employment and hence the demand for housing. At the same time, major roadways were constructed to provide access to the expanding suburbs.

The 1960 national census recorded a population of 635,917 habitants in the city of Salvador, growing to over 2.08 million by 1991. This marked a nearly quadruple growth in the population of the city: a serious challenge to the private construction of housing and public housing programs to accommodate it. As a result, by the year 2000, there was a housing deficit of just over 200,000 homes in the city. The city also began to change geographically to house the growing population. In its founding year of 1551, Salvador occupied approximately 20 hectares of land and 30 square kilometers in 1940. By 1980, the city comprised 160 square kilometers of urban space and a population of 1.49 million inhabitants. In 2006, the surface area of Salvador included 312 square kilometers of completely urbanized space, with no more available space for housing projects. This prompted further expansion of the

city to 693 square kilometers by 2013, even while having to house a still growing population, estimated to be 2,888,672 by that year.

As a result of its growing population, limited space, and the increasing value of land, Salvador has adopted policies to clear informal settlements for other, more profitable housing and commercial developments. For capitalist firms, land is a financial asset, a means to further accumulation, and both governments and international agencies aim to facilitate this process (Karruna, 2013). Accordingly, many of the actions taken against informal communities in the city are a result of land speculation.

A common policy has been to remove informal communities and place their inhabitants in formal housing projects on the urban periphery to clear room for private development. By placing housing communities on the urban edge, more valuable land plots can be sold for private residential or commercial development. This is beneficial to the city as they gain from the taxable revenue in these areas subsequent to development, and where they own the land, they gain from its sale. The advantage of peripheral location for new low-income housing projects, on the other hand, is usually the low price of the land there. Other examples of land speculation can also be seen. In some instances where it is private land that has been invaded, the private owner may negotiate with the city government to acquire a better and more valuable land plot; something that may be attractive to the city as it relieves them from what might be a politically tricky expulsion process (Karruna,

2013). This is seen in the case of the informal community of Escada, discussed below.

Part V: The Case Studies

This section discusses at length two informal communities within Salvador and the associated issues of their occupation. The neighborhood of Escada and two informal communities, Recanto Feliz and Paraíso Azul, in the area of Costa Azul, illustrate the politics of housing

in Salvador as it impacts informal dwellers.

Escada

The informal community of Escada exhibits

many aspects of city housing policy in relation to informal communities. These include the involvement of multiple actors in the policy process, processes of eviction of, and reoccupation by, informal residents, and the implications of policy actions. Particularly apparent are the influence of land speculation, the self-interested activities of the municipality and the measures of resistance taken by opposing groups. These activities have implications for other informal settlements, as the practices in question are by no means unique to Escada.

Figure 5



Escada is located on the northwestern edge of the municipality of Salvador, situated between the Bay of All Saints and the nature preserve of the Boca da Mata de Valéria. It comprises a lower income area near the major industrial zone of the municipality of Salvador and has a relatively large number of distinct informal communities. Escada was first occupied by low-income families that moved into the area in 2006, onto vacant land owned by the electrical company COELBA. As such, and according to Brazilian land policy, the landowner assumes responsibility for evicting illegal occupants. The structures in the community were built up over the course of several years, but the majority were made of non-permanent materials. The community also developed a numbering system for businesses and homes in addition to a community center and school building: evidence of some degree of its cohesion.

The subsequent struggles of the informal occupants of Escada to remain there brought together a number of different actors concerned in some way with the housing of the poor. In addition to the residents and various departments of provincial and municipal government, a variety of social organizations and private business were also involved. For a start, the residents relied on assistance from community organizations involved in the Movimento dos Sem Teto da Bahia (MSTB, Movimento of Those Without A Roof) and the international non-profit Architecture Sans Frontieres-UK (ASF-UK). MSTB is a political movement that was established in 2003 and currently represents 4000 families in 22 different informal occupations in Salvador. The two key government institutions involved in the conflict were SEDUR (The Secretaria de Desenvolvimento Urbano da Bahia, Secretary of Urban

Development of Bahia) and SAEB (The Secretaria de Administração do Estado da Bahia, The State of Bahia Administration Secretariat). SEDUR is responsible for implementing housing policy and urban planning in the state of Bahia and SAEB is responsible for mediating conflict resolution over land disputes. Finally, COELBA represented the interests of private capital as the landowner in the conflict.

The relationship between COELBA and the residents of Escada exhibit several interesting aspects of the role played by land speculation in housing policy. After an initial eviction of the informal occupants of the area, residents shortly returned. As discussed earlier this is a common pattern with informal communities: after forcible removal many tenants return to the same communities or existing communities nearby. But in this case the return of the residents to Escada was believed to have been encouraged by the landowners, COELBA. Despite publicly denouncing the informal residents, COELBA used the return of the residents as a means of negotiating with the state of Bahia to obtain an alternative land plot; this was in exchange for allowing the returning residents to stay. As a result, SEDUR did indeed grant COELBA a larger, more valuable land plot in return for relinquishing its land to the informal residents. In short, landowners made use of low-income occupants to advance their own speculative causes.

A second issue for the residents in Escada stemmed from something known as 'consolidation.' The community was clearly in need of formal housing for its growing number of residents, housing which could be provided through a number of programs, like Minha Casa, Minha Vida. However, to accomplish this, a number of

licensing processes have to be completed before funding can be obtained. In particular, the existing housing stock cannot be in the form known as '*consolidated*.' According to SAEB, consolidated communities are made of permanent structures with less degradable materials. If housing has been considered "consolidated," then the community can only access funds to upgrade the area. The investigation conducted by ASF-UK revealed that informal occupants and social organizations that work with residents were unaware of this and that Escada was indeed considered consolidated.

This holds important implications for other informal communities within the city, as it allows the government to exclude more permanent communities from the process of regularization; i.e., the processes that can grant them legal land tenure and legitimate housing security. This can create other problems in the community, such as difficulty accessing reliable infrastructure for water and electricity (Moreira de Carvalho, 2007). This is due to differences in the bureaucratic process, such as the origins of funding to carry out the projects. Without this assistance, residents are often forced to rely on over-priced, bootleg utility connections that continue to solidify their lower socioeconomic positions.

Additionally, this explains further the underuse of the regularization process in the municipality of Salvador. This is because confusion surrounding the definition of consolidation and its significance demonstrates the lack of cooperation and communication between the actors involved in housing provision. In particular, communication is lacking between on the one hand the organizations that aid

informal residents and on the other, the government institutions that implement policy. Some organizations, such as the MSTB, specifically seek to solve problems in informal communities without cooperating with municipal policy makers due to differences in political ideology, but this is not the norm. There are a number of other social organizations that attempt to cooperate and reach agreements with local government policy makers, but are left outside of the process. This suggests the intentional exclusion of residents and social organizations on a number of social, political, and economic grounds.

The Case of Coasta Azul: The Favelas of Recanto Feliz and Paraíso Azul

Figure 6



The history of the informal communities of Recanto Feliz and Paraíso Azul in the area of Costa Azul in Salvador provide additional and illuminating windows on the practices of informal residents and the politics surrounding their presence. Notably both favelas show once again the tendency of informal residents to return after forcible relocation, the influence of capital on that expulsion process, and the way residents along with supporting social organizations, come together collectively to resist relocation. It also illustrates the confusing processes involved in the attempt to sell and privately develop the public land in question. There are some interesting contrasts here with the way residents in Escada were used as objects of land speculation so as to remain in their community

Costa Azul is located on the Orla Maritim Atlantic shore in Salvador, bordering the middleclass neighborhoods of Pituba, Stiep, Jardim Armação, and Boca do Rio, and contains the informal communities of Recanto Feliz, Cai Duro and Paraíso Azul. The area began as a residential area for employees of Petrobrás in 1968. Rapid growth and densification of the area in the late 1970s was then prompted by the construction of the Iguatemi Mall and improvements in the city's transportation system. The subsequent explosion in residential and commercial construction brought an influx of low-income rural migrants from the interior of Bahia searching for better employment opportunities, and forming the first favelas in the area. The first occupants settled in the abandoned Old Hotel of Costa Azul and on an abandoned go-kart track in the neighborhood of Stiep, forming the informal communities of Recanto Feliz and Paraíso Azul. Initially, with the beginning of the construction of the Parque Costa Azul (Costa Azul Parque) these communities were

removed and transferred to formal housing in other areas of the city. Shortly after, the original occupants returned to the area, even while in this instance they had been placed in formal housing units.

They now re-established themselves, albeit in a precarious fashion, in an area owned at the time by the Instituto de Aposentadoria e Pensão do Servidor da Bahia (or IAPSEB: The Institute of Savings and Pensions of the Workers of Bahia). There was an existing, small informal occupation next to a lake, which served as the only source of water for a community that also lacked electricity. In the early 1980's, as more residents began to arrive, IAPSEB began to attempt to control the influx of residents by registering families in the area. This was to actively monitor the growth in the, and passively discourage new tenants. However, this was not an effective means of deterring family members and other residents from locating there and the area began to rapidly densify. In addition, rapid formal development in adjacent areas in combination with rising land values once more raised the issue of their presence there.

Beginning in the 1990's, more aggressive measures were attempted to permanently remove the two communities so that the land could be formally developed.

Beginning in January of 1990, the residents of Recanto Feliz were met with the sudden demolition of their homes but returned immediately to reestablish themselves. This continued in the following year, with a cyclical process of residents being removed and immediately returning due to what was for them an overwhelming lack of other housing options. During this process, residents of both

neighborhoods sought assistance from other social organizations. This was because, first in 1995, IAPSEB, the government body responsible for the public land parcel, was granted the right to reclaim management over the public land upon occupied by the two communities; and second, new legislation was passed in order to allow the sale of the land for private development. These moves met with resistance. After securing the support of the Social Service of the Monastery of São Bento and the Foundation of the Association of Santa Rosa de Lima Residents, residents of Recanto Feliz and Paraíso Azul, united as one, worked to receive funding to improve the area through bettering urban infrastructure. Through these social organizations, residents filed a civil suit against the state of Bahia and the new legislation that sought to facilitate sale of the occupied land for private development. Other tactics included protests and demonstrations, publishing announcements in local media, and seeking support from other local organizations and politicians. The purpose was to demonstrate the permanence of the communities, the patterns of relocation and return, and to draw attention to the exclusionary nature of the legislation that sought to remove residents and to favor the interests of private developers.

The communities continued to be met with opposition from private development interests, IAPSEB, and other actors in the community before finally achieving the right to remain, though the realization of this remained in doubt for some time. In June of 1999, the state government authorized the Companhia de Desenvolvimento do Estado da Bahia (CONDER or The Development Company of the State of Bahia) to begin studies to best advise how to urbanize the communities through the low-income housing program known as Viver Melhor. The process advanced as far as the

presentation of the plans for urbanization to the community before stalling. In late 2001, the election of a new governor César Borges, saw more attempts to put the land up for sale and private development.¹ Nevertheless, before the election of a new governor, the social organizations had sought support from the State Planning Secretary Armando Avena in 2000, who ruled the communities as a permanent feature of the area. After continued pressure, the state legislative assembly transferred the ownership of both communities to CONDER in 2003 to begin the process of upgrading the infrastructure in the area.

The project began in 2005, but again there was opposition. On this occasion, it was from the residents of a nearby condominium development, who filed legal action against the project on the grounds that it adversely affected the nearby Parque das Dunas, a city park. In reality, if the communities remained in the area, the condominiums were likely to experience a decrease in value due to their location in close proximity to the informal communities. If sold for private development, more formal commercial or residential structures would replace the informal and boost the land and aesthetic value of entire area. After another protest with heavy media coverage, the community was able to publicize the discriminatory and exclusionary nature of the condominium's suit and restart the urbanization projects. The events in the communities of Recanto Feliz and Paraíso Azul clearly show the importance of the collective action of residents, social organizations, and political allies in claiming rights to remain.

¹ This complicated bureaucratic process is common in attempts to remove and relocate informal communities, as in the Escada case, and often creates issues for the organizations assisting residents.

Through the urbanization and infrastructure projects, many of these problems encountered in Recanto Feliz, Paraíso Azul, and other informal communities are beginning to be addressed. Specifically for the communities in Costa Azul, the area began to undergo transformations brought on by infrastructure projects proposed by SEDUR and CONDER. These projects aimed to address several issues in the communities:

- Supply residents in existing situations of risk with new housing.
- Execute better-planned housing.
- Supply better urban infrastructure, including: sewage, pavement, rain drainage, and environmental protection.
- Provide assistance to families being relocated.
- Implement community organization, sanitary and environmental education, and generate employment and income in the communities.

Just over 27% of the financed budget for this project was provided through state government financing through the program Pró-Moradia for a total of R\$13,506,783.52 (U.S. \$6,178,489.03). The project constructed 400 new housing units, with a mix of apartment, village, and multistory style units. As previously mentioned, a restriction imposed by this and other housing programs is that the beneficiaries are prohibited from the sale and rental of their new housing. After changes to the initial program requirements, residents were only able to sell the units after a ten-year waiting period. However this was not stringently enforced. As a result, as many as 10% of the constructed units were sold for prices ranging between R\$8,000 and \$25,000 so that beneficiaries could relocate to a less

urbanized community of Baixa Fria in the neighborhood Boca do Rio. Once again it is clear formal housing programs are not successful in retaining all participants and that the influences of rising land values and difficulties of adjusting to formal financial and housing structures often motivate the return to informal housing.

Figure 6: Recanto Feliz before intervention and urbanization.



Figure 7: Recanto Feliz after intervention and urbanization.



Conclusions

Massive rural to urban land migrations and the constraints of the global capitalist economic system have created a shortage of available housing for low-income populations in developing countries. The precarious social circumstances of these low-income populations leaves them with few alternatives within their social, political, and economic reach. As a result, this is solved through the invasion of both public and private unused land to form informal communities as an alternative to high-priced residential housing. The illegal, informal status of these communities due to their lack of a legal land title creates conflict between informal residents and the owners of the land that seek their removal. This is enforced by urban land scarcity leading to higher land values, in which the landowner has an interest in selling the land plots for private development. Governance structures also seek to

replace informal communities with populations from which they may collect higher taxes. These circumstances have led to the structuring of housing policies that seek to remove and relocate informal communities to other parts of the city, often in formal housing programs. However, these programs rarely address the structural problems that lead to the formation of informal communities. In fact, the social welfare of program participants is often worse than in their previous informal communities. They are likely to return to informal areas from the inability to adjust to formal housing and financial structures. As a result, this creates a cyclical process of removal, relocation, and return to other land invasions.

Housing policy in the city of Salvador, Brazil was examined to attempt to uncover the motivations and interests of those in the housing policy creation and implementation process. Through this examination, the effects of the policies were seen to worsen the social, political, and economic welfare of informal residents. These residents are marginalized socially, politically, and economically in aspects of housing policy and programs as a result of the exclusion of multiple actors in these processes. By using the case studies of Escada, Recanto Feliz, and Paraíso Azul, the permanence of these true communities can be seen. These favelas also show the effects of housing policy and the attempts at removal, which led to their ultimate return. The influences of land speculation, exclusion, and political marginalization were all apparent in each case study. With the incorporation of multiple actors in the creation and implementation of housing policy, the financing of the state could be best used to more permanently address the issues of informal communities.

There is still a great deal to be examined in context with informal communities in order to fully comprehend how these communities work, so as to best create policies that address the housing deficit. First, it is imperative to better understand the social connections and networks established in these communities. This can help to explain specific motivations for settling in certain areas, due to family ties or other social links. A better understanding of the economic circumstances and the operation of the informal economy can assist in the formation of financial structures that best address the needs of informal residents. This can include the operation of informal credit and how informal employment operates within the community. The function of social and community organization is also important to better understand how various actors can be included in the policy implementation process. In conclusion, there is much to be discovered about the residents that form the vibrant urban informal communities of cities in developing countries.

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